

Ameritech Network Collocation Coordinator. When Ameritech notifies the competitor that space is available (for physical collocation), the carrier then submits both a firm order for service and an initial Central Office Build Out ("COBO") payment. Ameritech then works with the requesting carrier to develop a detailed written proposal for the collocation, which the competitor must approve in writing before construction begins. A carrier may also reserve space for future physical collocation on a first-come, first-served basis in any Ameritech office where it already has (or is ordering) physically collocated equipment.<sup>40/</sup> Edwards Aff., ¶ 26.

If physical collocation space is not available, or if the carrier so requests, the carrier may obtain virtual collocation. As with physical collocation, the process begins with an ASR being reviewed by the Collocation Coordinator, who then provides fiber assignments and due dates. Once the virtual collocation arrangement is in place, Ameritech provides maintenance equivalent to that which it provides to itself and other customers. Mayer Aff., ¶¶ 63-70.

Installation intervals (and credits for failure to meet deadlines) for both physical and virtual collocation are established in the AT&T and Sprint Agreements (§§ 12.12.2, 12.12.3). To date, Ameritech has not received an escalation request in any state regarding its provision of physical or virtual collocation. Mayer Aff., ¶ 73.

As of April 30, 1997, 14,454 interconnected trunks had been sold to competing carriers in Ameritech's territory in Michigan, an increase of nearly 100% since October 1996, when 7,426 interconnection trunks had been sold. Regionwide, competing carriers had ordered or placed in service 42,315 trunks as of April 30, 1997. Edwards Aff., ¶ 22. Also as of April 30, competing carriers were already virtually collocated in 37 Ameritech wire centers in Michigan (up from 21 in December of 1996), and regionwide there were 102 Ameritech wire centers with

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<sup>40/</sup> AT&T Agreement, § 12.9, Sch. 12.9.1; Sprint Agreement, ¶ 12.9, Sch. 12.9.1.

virtual collocation and 9 with physical collocation. *Id.*, ¶ 23, Sch. 2 at 1. Brooks Fiber is virtually collocated in XX wire centers and has ordered or is using over 4,600 interconnection trunks; MFS is virtually collocated in XX wire centers and has ordered or is using over 4,100 trunks; TCG is virtually collocated in XX wire centers and has ordered or is using over 4,300 trunks; and MCI is virtually collocated in XX wire centers and has ordered or is using over 1,300 trunks. *Id.*, ¶¶ 22-23, Sch. 2 at 1. Ameritech also is processing (or awaiting customer action on) several requests for physical collocation in Michigan from, among others, Brooks Fiber, TCG and MCI. *See* Mayer Aff., ¶ 73.

Under normal conditions, each interconnection trunk supports about 15 individual lines, though capacity will vary inversely with the intensity of usage on the lines. Edwards Aff., ¶ 22. Thus, the interconnected trunks ordered or in-service by Brooks Fiber, MFS, TCG and MCI could today serve over 216,000 customer lines. Moreover, collocation of equipment in an Ameritech end office gives a competitor access to every line served by that office. This means that, based on orders received and being processed, by July of 1997 competitors will be collocated in offices that would give them the ability to serve 42 percent of Ameritech's business access lines and 29 percent of its residential access lines in Michigan. Harris/Teece Aff., pp. 31-35. These figures demonstrate that other carriers are using Ameritech's interconnection products to compete with Ameritech in Michigan.

**(ii) Unbundled Network Elements.**

Section 271(c)(2)(B)(ii) requires Ameritech to provide "[n]ondiscriminatory access to network elements" in accordance with Sections 251(c)(3) and 252(d)(i). Ameritech has satisfied this requirement by entering interconnection agreements with Brooks Fiber, MFS and TCG that make available (i) all of the individual network elements that the Commission requires to be

unbundled, as well as combinations of elements as described in the AT&T and Sprint Agreements,<sup>41/</sup> and (ii) sub-element unbundling, to the extent technically feasible, pursuant to Bona Fide Request ("BFR") procedures that, following arbitration, the MPSC specifically approved for this purpose.<sup>42/</sup> See Edwards Aff., ¶¶ 53-58. BFRs — which proceed under a prescribed 60-day schedule in Michigan — may also be used to request new unbundled elements or combinations of elements, or to request new or different methods of interconnection or service. Id.

Many of the unbundled elements specifically required by the Commission are covered by specific sections of the checklist and discussed elsewhere in this brief.<sup>43/</sup> In addition to these, Ameritech currently is furnishing access to network interface devices ("NIDs"), a network element not mentioned in the checklist, in conjunction with unbundled local loops. No carrier has ordered NIDs unbundled from loops, but Ameritech is prepared to furnish unbundled access to these devices upon order.<sup>44/</sup> Id., ¶¶ 71-72.

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<sup>41/</sup> AT&T Agreement, Art. IX, Sch. 9.2.1-.7, Sch. 9.5, Pricing Sch., Item V; Sprint Agreement, Art. IX, Sch. 9.2.1-.7, Sch. 9.5, Pricing Sch., Item V. As Mr. Kocher describes in his affidavit (¶¶ 65-78), without waiving their respective legal positions, Ameritech and AT&T currently are engaged in an operational trial of AT&T's concept of a "network platform," using a single switch, customized routing of OS/DA traffic and EDI ordering of the unbundled loop and basic line port. Ameritech has also agreed to a subsequent trial, using multiple end offices and various usage, billing and accounting records. Ameritech also has put in place "true up" mechanisms in the event the Commission issues orders modifying the definitions and prices of the network elements and services included in the "platforms."

<sup>42/</sup> See AT&T Agreement, § 2.2, Sch. 2.2; Sprint Agreement, § 2.2, Sch. 2.2.

<sup>43/</sup> Operations Support Systems already have been discussed, and unbundled loops, interoffice transmission, local switching, signaling and call-related databases, and operator services and directory assistance are addressed below.

<sup>44/</sup> See AT&T Agreement, Sch. 9.2.2, Sch. 9.5, § 3.0, Pricing Sch., Item V.B; Sprint Agreement, Sch. 9.2.2, Sch. 9.5, § 3.0, Pricing Sch., Item V.B.

(iii) **Poles, Ducts, Conduits And Rights-Of-Way.**

Ameritech currently is providing Brooks Fiber, MFS and TCG with nondiscriminatory access to poles, ducts, conduits and rights-of-way under their agreements.<sup>45/</sup> *Id.*, ¶¶ 84-85. These carriers may obtain such access at the rates (which conform to the requirements of Section 224) and on the terms and conditions contained in the AT&T or Sprint Agreements (Article XVI). The procedures and methods by which Ameritech provides such access and ensures nondiscrimination and parity are outlined above, and are described in greater detail in the Mayer affidavit (¶¶ 107-156). In a nutshell, Ameritech ensures nondiscriminatory access to structure from an operational perspective by three means: by providing access to Ameritech's maps and records;<sup>46/</sup> by employing a nondiscriminatory methodology for assigning existing spare capacity between competing carriers; and by ensuring comparable treatment in completing the steps for access to these items through Ameritech's Structure Access Coordinator. Mayer Aff., ¶¶ 107-132. Ameritech has not received any escalation requests in Michigan under its agreements regarding its provisioning of structure. *Id.*, ¶ 121.

As of December 31, 1996, Ameritech was furnishing competing local exchange carriers with access to 71,684 feet of ducts and conduits and 99 poles in Michigan. Edwards Aff., ¶ 85, Sch. 2 at 3. These carriers included: Brooks Fiber (XX poles and XXXX feet of ducts and conduits); AT&T (XXXX feet of ducts and conduits); MCI (XXXX feet of ducts and conduits); Climax Telephone Company (XX poles) and Access Transmission (XXXXXX feet of ducts and

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<sup>45/</sup> See Brooks Fiber Agreement, § 15.0; MFS Agreement, § 15.0; TCG Agreement, § 16.0. See also Ameritech MPSC Additional Submission, p. 16.

<sup>46/</sup> AT&T Agreement, § 16.13; Sprint Agreement § 16.13.

conduits). *Id.* Also, as of April 30, 1997, Ameritech was processing orders for structure from, among others, MFS, TCG, Coast-to-Coast and Phone Michigan. *Edwards Aff.*, ¶ 85.

(iv) **Local Loops.**

Ameritech provides access to unbundled local loops which run from the main distribution frame ("MDF"), or its equivalent in Ameritech's end office, to the network interface device at the customer's premises. Section 271(c)(2)(B)(iv). Ameritech's interconnection agreements provide competitors with unbundled access to the full range of Ameritech loops, including at least eleven different loop types — four varieties of 2-wire analog loops, a 4-wire analog loop, and six varieties of 2- or 4-wire digital loops supporting ISDN, ADSL, HDSL and DS-1 transmission.<sup>47/</sup> Rates, terms and conditions for these loops are provided in the various interconnection agreements.<sup>48/</sup> *Id.*, ¶ 87.

Ameritech has implemented systems, methods and procedures that satisfy the nondiscrimination and parity requirements for unbundled loops. *See Mickens Aff.*, ¶¶ 17-21, 23-27; *Mayer Aff.*, ¶¶ 157-205. Regardless of whether an unbundled loop order comes from an Ameritech affiliate or another carrier, it travels through the same AHS Service Center and the same ordering systems, proceeds through the same assignment and provisioning systems, and the related installation and maintenance is handled by the same systems and procedures. *Mayer Aff.*, ¶ 198. Loops also require some manual operations for provisioning, as described in the *Mayer* affidavit (¶¶ 170-203). Provisioning a "new" loop, for example, sometimes requires

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<sup>47/</sup> Local Competition First Report and Order, ¶ 380; *Brooks Fiber Agreement*, § 9.1; *MFS Agreement*, § 9.1; *AT&T Agreement*, Sch. 9.2.1; *Sprint Agreement*, Sch. 9.2.1.

<sup>48/</sup> *AT&T Agreement*, Sch. 9.2.1, Sch. 9.5, § 2.0, *Pricing Sch.*, Item V.A; *Sprint Agreement*, Sch. 9.2.1, Sch. 9.5, § 2.0, *Pricing Sch.*, Item V.A; *Brooks Fiber Agreement*, § 9.0, *Pricing Sch.*, Item IV.A-C; *MFS Agreement*, § 9.0, *Pricing Sch.*, Item V.A-B; *TCG Agreement*, § 9.0, *Pricing Sch.*, Item III.A-C.

manual intervention for loop assignment, tie pair assignment, central office cross-connects, and, in some cases, special dispatch of an outside technician to provide the loop. For end-users with existing service, manual intervention is usually necessary to coordinate the cutover of that service with the other carrier or, for end-users with multiple lines, to complete conversion of a subset of those loops to a competitor.

Basic time frames for provisioning loops are set forth in the AT&T and Sprint Agreements (Sch. 9.5, § 2.0; Sch. 9.10), though parties may agree to other intervals, as Brooks Fiber has. See Brooks Fiber Agreement, §§ 9.6, 26.1.3. The standard intervals are based on Ameritech's experience in provisioning unbundled loops and vary with the volume of loops requested. Mayer Aff., ¶ 197; Mickens Aff., ¶¶ 23-24. These intervals were specifically approved by the MPSC in arbitrations with AT&T and Sprint. In provisioning a loop, Ameritech coordinates the scheduled conversion time with the requesting carrier at least forty-eight hours prior to the due date. Id., ¶ 192.

Ameritech also has taken steps to ensure that it has sufficient capacity to serve the forecasted level of demand for unbundled loops and can readily expand its capacity should actual demand substantially exceed forecasted demand. Mickens Aff., ¶ 73; Meixner Aff., ¶¶ 23-55; Rogers Aff., 106-124. As demonstrated in the Mickens affidavit, Ameritech's loop provisioning performance for Brooks Fiber — the largest single user of Ameritech's unbundled loops — has been at parity with its loop provisioning performance for all other carriers within the State. Mickens Aff., ¶¶ 50-70.

Ameritech's unbundled local loops are in great demand and are being rapidly deployed to provide competitive local service. Indeed, the number of loops ordered or in service in Michigan has grown from 10,000 as of September 1996 to 22,510 as of April 30, 1997, an

increase of 125 percent. Edwards Aff., ¶ 89, Sch. 2 at 4. Ameritech currently is furnishing or has received orders for approximately XXXXXX unbundled local loops from Brooks Fiber and more than XXXXXX unbundled local loops from MFS pursuant to their agreements, and both carriers are using the loops to provide local service.<sup>49/</sup> Id. As of April 30, 1997, 37,354 unbundled loops had been ordered or placed in service in Ameritech's five-state region. Id., ¶ 89.

(v) **Local Transport.**

Unbundled local transport, in the form of both dedicated and shared interoffice transmission as defined by the Commission (see 47 C.F.R. § 51.319(d)), is available to Brooks Fiber, MFS and TCG under their agreements on the same terms and conditions and at the same rates as those specified in the AT&T and Sprint Agreements (Sch. 9.2.4, Pricing Sch., Item V.D-E). See Edwards Aff., ¶¶ 90-92; Mayer Aff., ¶¶ 206-217; Ameritech MPSC Additional Submission, p. 17. Such transport is available between end offices and serving wire centers ("SWCs"), SWCs and IXC Points of Presence ("POPs"), tandem offices and SWCs, and Ameritech end offices or tandems and the wire centers of other carriers. Edwards Aff., ¶ 92. Ameritech provides competitors with all technically feasible transmission capabilities, including DS-1, DS-3, and Optical Carrier levels such as OC-3/12/48/96. Id.

Ameritech has procedures in place to furnish unbundled interoffice transport upon order. The necessary OSS functions for this element, described earlier, have been tested and are fully functional. Upon receipt, orders for unbundled transport are mechanically forwarded to

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<sup>49/</sup> See Ameritech Michigan's Submission of Information, Case No. U-11104, Attachment B, Response to Question No. 4(e) and (f), p. 19 (Mich. Pub. Serv. Comm'n dated Dec. 16, 1996) ("Ameritech MPSC Submission, Attachment B"); Ameritech MPSC Additional Submission, p. 16.

Ameritech's special access service facilities assignment system and to its special access design system for processing. Mayer Aff., ¶ 210. Provisioning is then coordinated between the AHS Service Center, the Interoffice Facilities Circuit Provisioning Center, and the HiCap Circuit Provisioning Center, as described by Mr. Mayer (¶¶ 211-214). The provisioning intervals for interoffice transmission facilities are reflected in the AT&T and Sprint Agreements (Sch. 9.10) and are based on Ameritech's actual experience in provisioning comparable private line and special access services. Mayer Aff., ¶ 215. The maintenance for interoffice facilities is performed pursuant to Ameritech's Network Element Control Center ("NECC") procedures. Ameritech's HiCap Center, which is the administrative center for all high capacity customer circuits, is responsible for resolving all trouble reports. *Id.*, ¶¶ 216-217.

At present, no competing carriers have properly ordered unbundled local transport pursuant to their interconnection agreements. Edwards Aff., ¶ 93. However, Ameritech is currently working with AT&T with respect to its placement of orders for shared transport in connection with the network platform pursuant to its interconnection agreements. In addition, Ameritech currently is furnishing local transport to Brooks Fiber, MFS and TCG under Ameritech's access tariff, along with other services included in that tariff.<sup>50/</sup> *Id.*

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<sup>50/</sup> Some interexchange carriers have asserted that there is an additional form of unbundled local transport, which they call "common transport." AT&T, for example, recently filed a lawsuit (*see* p. 7 *supra*) alleging that its interconnection agreement with Ameritech did not satisfy the Act because it does not provide for "common transport" as defined by AT&T. As Mr. Edwards explains, however, "common transport" is actually a service, not a network element. Further, Ameritech stands ready to provide this service when ordered as such, but not as an unbundled element. Edwards Aff., ¶¶ 94-105. In any event, the "common transport" issue is currently before the Commission on reconsideration in CC Docket 96-98. Ameritech has been active in attempting to resolve this issue, filing eight different *ex parte* letters with the Commission in CC Docket No. 96-98 on January 22 and 28, February 3, 13 and 25, March 11 and 28, and April 10, 1997.



(vi) **Local Switching.**

Unbundled local switching, as defined by the Commission (47 C.F.R. § 51.319(c)(1) and (2)), currently is available to Brooks Fiber, MFS and TCG under their agreements — again, on the same terms and conditions and at the same rates as those specified in the AT&T and Sprint Agreements (Article IX, Sch. 9.2.3, Sch. 9.5, § 4.0, Pricing Sch., Item V.C). Edwards Aff., ¶¶ 106-116; Mayer Aff., ¶¶ 218-223. To date, no Section 271(c)(1)(A) carrier has ordered unbundled local switching from Ameritech.<sup>51/</sup> Edwards Aff., Sch. 2 at 6. However, Ameritech is prepared to furnish unbundled local switching if and when such an order is received. Ameritech's unbundled switching product includes access to: (i) line-side ports; (ii) trunk-side ports; and (iii) all features, functions and capabilities of the switch, including the basic switching function and any vertical features of the switch (which can be activated electronically on a line-by-line basis). *Id.*, ¶¶ 109-113. Ameritech also is operationally ready to provide unbundled local switching when ordered and has developed and tested the product and pertinent support systems. Kocher Aff., ¶¶ 47-64; Ameritech MPSC Additional Submission, pp. 16-17. Therefore, Ameritech is able to promptly satisfy an order for unbundled local switching at quantities that may be reasonably demanded and in a nondiscriminatory manner.

The Mayer affidavit describes the provisioning and other OSS processes for unbundled local switching. Mayer Aff., ¶¶ 218-223. In brief, unbundled local switching trunk-side ports are ordered electronically using the ASR format, while all other ports are ordered using the EDI format currently used for ordering resale services. *Id.*, ¶ 219. End users are converted from Ameritech to the competitor in an interval no greater than the time in which Ameritech currently

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<sup>51/</sup> Nor has any Section 271(c)(1)(A) carrier ordered unbundled tandem switching, which is very similar to unbundled local switching, and which is described in detail in the Edwards (¶¶ 81-83) and Mayer (¶¶ 224-229) affidavits.

transfers end users between interexchange carriers, so long as the conversion involves only software changes. *Id.*, ¶ 220. Once a line is provisioned, the competing carrier may electronically activate and deactivate features on a line-by-line basis over the EDI interface. *Id.*

(vii) **911, Directory Assistance, Operator Call Completion Services.**

Ameritech currently is furnishing Brooks Fiber, MFS and TCG with access to 911 service and databases.<sup>52/</sup> Edwards Aff., ¶¶ 117-121. These services also are currently available to Brooks Fiber, MFS and TCG on the same terms and conditions and at the same rates as those specified in the AT&T and Sprint Agreements.<sup>53/</sup> As of April 30, 1997, competitors had placed twenty-nine of Ameritech's 911 trunks in service: Brooks Fiber had XX 911 trunks, MFS had XX, TCG had XX, and MCI had XX. Edwards Aff., ¶ 121, Sch. 2 at 7. Ameritech has put in place detailed processes and procedures to ensure 911 database integrity in a multi-carrier environment. Mayer Aff., ¶¶ 242-259.

Ameritech also is furnishing directory assistance service to Brooks Fiber (X trunks), MFS (X trunks) and MCI (X trunks). Edwards Aff., ¶ 131, Sch. 2 at 7. Similarly, operator services currently are being furnished to Brooks Fiber (X trunks) under its agreement and made readily available to MFS, TCG and MCI through various arrangements, such as TCG's direct outward dial ("DOD") trunks.<sup>54/</sup> *Id.*, ¶ 131. As of April 30, 1997, 86 directory assistance

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<sup>52/</sup> See, e.g., Brooks Fiber Agreement, § 18.0; MFS Agreement, § 18.0. Ameritech MPSC Submission, Attachment B, Response to Question No. 7(a)(3) and (4), pp. 30-31. TCG has entered a separate agreement with Ameritech regarding 911 service, and that agreement is attached to the parties' interconnection agreement. Ameritech MPSC Additional Submission, p. 18.

<sup>53/</sup> AT&T Agreement, §§ 3.9, 10.12.4, Pricing Sch., Ex. PS-I; Sprint Agreement, §§ 3.9, 10.2.4, Pricing Sch., Ex. PS-I.

<sup>54/</sup> See Ameritech MPSC Additional Submission, pp. 19-20.

trunks and 20 operator services trunks from switches of competing carriers were in service in Michigan. *Id.* Ameritech has established procedures to ensure that these services are provided at parity with the service Ameritech provides to itself.<sup>55/</sup> And as with all other checklist items, these services are available at the same rates and on the same terms and conditions contained in the AT&T and Sprint Agreements.<sup>56/</sup> Mayer Aff., ¶¶ 230-241.

The Edwards affidavit describes the 911, operator services ("OS") and directory assistance ("DA") services provided by Ameritech. Edwards Aff., ¶¶ 117-131. One of these services requires "custom routing" of OS/DA calls in Ameritech's local switches, which permits requesting carriers to route calls to their own OS/DA platforms. As Edwards explains, there are technical limitations that make it infeasible for Ameritech to offer such "custom routing" as a standard service in every switch in its network. *Id.*, ¶ 130. However, "standard" custom routing, *i.e.*, custom routing involving 25 or fewer line class codes, is generally feasible when used in conjunction with unbundled local switching, and is therefore available as a standard service. *Id.* "Complex" custom routing, which involves more than 25 line class codes and is generally required in the resale environment, is available via a BFR. *Id.*

(viii) **White Pages Directory Listings.**

Ameritech currently is furnishing white page directory listings to Brooks Fiber, TCG, MFS, AT&T and others pursuant to their agreements.<sup>57/</sup> White page listings also are available under the AT&T and Sprint Agreements at no charge for both facilities-based and resale

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<sup>55/</sup> AT&T Agreement, § 9.4, Sch. 9.2.7; Sprint Agreement § 9.4, Sch. 9.2.7.

<sup>56/</sup> AT&T Agreement, Sch. 9.2.7, Sch. 9.5, § 8.0, Pricing Sch., Item V.H; Sprint Agreement, Sch. 9.2.7, Sch. 9.5, § 8.0, Pricing Sch., Item V.H.

<sup>57/</sup> Brooks Fiber Agreement, § 18.0; MFS Agreement, § 18.0; TCG Agreement, § 15.0; AT&T Agreement § 15.1.

customers.<sup>58/</sup> Resale customers receive initial and secondary delivery of white pages directories, and AT&T and Sprint's Agreements allow them to include information about their services in the customer information section of Ameritech's white pages and yellow pages directories.<sup>59/</sup> Ameritech has established procedures to ensure that directories and directory assistance databases are updated accurately and in a timely manner.<sup>60/</sup> Mayer Aff., ¶¶ 237-241. To date, at least 27 carriers in Michigan have entered agreements to give Ameritech listings for inclusion in white page directories. See Edwards Aff., ¶ 133.<sup>61/</sup> Brooks Fiber, for example, had XXXXX residential listings and XXXXX business listings as of March 31, 1997. Id., Sch. 2 at 8.

(ix) **Number Administration.**

Although it is in the process of relinquishing the responsibility, Ameritech is at this time the Central Office Code Administrator in Michigan. In that capacity, it furnishes nondiscriminatory access to telephone numbers for assignment to the networks of competing carriers, in accordance with the Central Office Code Assignment Guidelines and the NPA Code Relief Planning Guidelines, under the oversight and complaint jurisdiction of the Commission. Mayer Aff., ¶¶ 261-277, 287; Ameritech MPSC Additional Submission, pp. 20-22. Ameritech has furnished, and under the Brooks Fiber, MFS and TCG Agreements continues to furnish, telephone numbers to these carriers. Edwards Aff., ¶¶ 134-137. As of April 15, 1997,

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<sup>58/</sup> AT&T Agreement, § 15.1; Sprint Agreement, § 15.1.

<sup>59/</sup> AT&T Agreement §§ 15.2.5, 15.1.7; Sprint Agreement §§ 15.2.5, 15.1.7.

<sup>60/</sup> AT&T Agreement § 15.2; Sprint Agreement § 15.2.

<sup>61/</sup> See also Ameritech MPSC Submission, Attachment B, Response to Question No. 8(d)(2), p. 38; Ameritech MPSC Additional Submission, p. 20.

Ameritech had assigned 150 central office codes (typically the first three digits of a telephone number, referred to as an NXX) to competing local exchange carriers in Michigan. Of these, Brooks Fiber has XX NXXs, MFS has XX, TCG has XX, MCI has XX, and Phone Michigan has XX. Id., ¶ 137, Sch. 2 at 9. Each NXX code can serve about 10,000 telephone numbers; thus, approximately 1.5 million numbers (exclusive of numbers available via number portability) have been assigned to competing carriers. Id. In connection with the foregoing, Ameritech has established and implemented detailed procedures to avoid NXX translation problems when new NXX codes are placed into service. Mayer Aff., ¶¶ 278-286.

**(x) Signaling And Call-Related Databases.**

Ameritech currently is furnishing access to its signaling and call-related databases to Brooks Fiber, MFS and TCG.<sup>62/</sup> Edwards Aff., ¶¶ 152-153. In addition to their current arrangements, each of these carriers also may obtain access to signaling networks, call-related databases, and service management systems on the same terms and conditions and at the same rates as those provided for in the AT&T and Sprint Agreements.<sup>63/</sup> The systems, methods and procedures by which such access is provided on a nondiscriminatory basis have been implemented. See Kocher Aff., ¶¶ 35-39; Mayer Aff., ¶¶ 288-296. Requesting carriers can use Ameritech's signaling network for signaling between their switches, between their switches and Ameritech's switches, and between their switches and the networks of others connected to Ameritech's SS7 network. Edwards Aff., ¶ 139. The call-related databases Ameritech provides to requesting carriers include the Line Information Data Base ("LIDB"), the Toll Free Calling

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<sup>62/</sup> See Brooks Fiber Agreement, § 16.0; MFS Agreement, § 16.0; TCG Agreement, § 17.0.

<sup>63/</sup> AT&T Agreement, Sch. 9.2.5, Sch. 9.5, § 6.0, Pricing Sch., Item V.G; Sprint Agreement, Sch. 9.2.5, Sch. 9.5, § 6.0, Pricing Sch., Item V.G.

database (800/888), and Advanced Intelligent Network ("AIN") call-related databases. Id., ¶¶ 140-145; Mayer Aff., ¶ 289.

Brooks Fiber, MFS, and TCG are currently using Ameritech's signaling system and databases either directly or through other providers.<sup>64/</sup> Edwards Aff., ¶ 145. Indeed, more than 50 different entities, including interexchange carriers, independent telephone companies, cellular carriers and others are interconnected to Ameritech Michigan for purposes of obtaining access to its call-related databases and signaling.<sup>65/</sup> In 1996, a total of 29 million queries were handled by Ameritech's LIDB and 800/888 databases, including an estimated 8 million queries in Michigan. Id.

(xi) **Number Portability.**

Ameritech currently is furnishing interim number portability ("INP") to Brooks Fiber and MFS pursuant to their agreements.<sup>66/</sup> Id., ¶ 161, Sch. 2 at 11. Ameritech also provides INP via Remote Call Forwarding ("RCF"), Direct Inward Dialing ("DID") and Local Exchange Routing Guide ("LERG") Reassignment (also known as NXX Migration) on the terms and conditions contained in the AT&T and Sprint Agreements (Article XIII). See id., ¶¶ 154-159. None of these carriers currently is paying anything for INP; cost-based rates are in effect, but collection has been suspended pending MPSC approval of a competitively neutral cost recovery mechanism as required by the Commission. Palmer Aff., ¶ 22.

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<sup>64/</sup> See Edwards Aff., ¶¶ 152-53; Ameritech MPSC Additional Submission, pp. 23-24.

<sup>65/</sup> See Ameritech MPSC Submission, Attachment B, Response to Question No. 10(e)(3), p. 44.

<sup>66/</sup> Brooks Fiber Agreement, § 13.0; MFS Agreement, § 13.0; see also TCG Agreement, § 13.0.

All of the procedures designed to permit numbers to be ported without service interruption are in place and operational. See Mayer Aff., ¶¶ 297-302. Pre-ordering and ordering occur using the EDI interface (the same interface used for resale and some unbundled network elements) and maintenance and repair requests are handled through an industry-standard electronic bonding interface ("EBI"). Id., ¶ 302. The EBI electronically provides confirmation of trouble receipt, trouble status, and notification that the trouble has been resolved. Id. Ordering and maintenance intervals for INP are based on experience with comparable trunks, and are set forth in the AT&T and Sprint Agreements. Id., ¶ 303. All status and inquiries related to the provisioning and maintenance of INP are handled by the NECC.

As of April 30, 1997, more than 24,300 numbers had been ported in Michigan, including XXXXXX by Brooks Fiber and nearly XXXXXX by MFS, while 31,012 numbers have been ported regionwide. Edwards Aff., ¶ 161; Sch. 2 at 11. Ameritech plans to begin implementation of long-term number portability in Michigan in the fourth quarter of 1997. Mayer Aff., ¶ 303.

(xii) **Local Dialing Parity.**

Ameritech currently is furnishing local dialing parity (through interconnection, number portability and nondiscriminatory access to OS/DA and telephone numbers) to Brooks Fiber, MFS and TCG pursuant to their agreements.<sup>67/</sup> Edwards Aff., ¶¶ 162-166. Local dialing parity also is being furnished to all other carriers, including MCI, and is available in 100 percent of Ameritech switches and access lines in Michigan. Id. The Mayer affidavit explains how local dialing parity is provided for all types of local calls. Mayer Aff., ¶¶ 307-315. During January 1997, more than 63 million minutes of local inter-network calls were completed on

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<sup>67/</sup> Brooks Fiber Agreement, § 14.0; MFS Agreement, § 14.0; TCG Agreement, § 14.0.

Ameritech's Michigan network with full local dialing parity. Edwards Aff., ¶ 168, Sch. 2 at 12.<sup>68/</sup>

(xiii) **Reciprocal Compensation.**

Ameritech currently furnishes reciprocal compensation for the exchange of local traffic to Brooks Fiber, MFS and TCG under their agreements.<sup>69/</sup> Edwards Aff., ¶¶ 172-174. The rates provided for in the Brooks Fiber and MFS Agreements were the product of private negotiations between the parties, while the rates provided for in the TCG Agreement were arbitrated. All three carriers also have available to them reciprocal compensation at the same rates and on the same terms and conditions provided for in the AT&T and Sprint Agreements (§ 4.7, Pricing Sch., Item II). Ameritech provides reciprocal compensation rates for both tandem office-based and end office-based transport and termination. Edwards Aff., ¶¶ 172-174.

A substantial amount of local traffic is being exchanged on an ongoing basis between Ameritech, on the one hand, and Brooks Fiber, MFS, TCG and other competing carriers, on the other. In fact, in January 1997, Ameritech handled 63.2 million minutes of incoming and outgoing traffic subject to reciprocal compensation, including over XX million minutes for Brooks Fiber and over XX million minutes for TCG. Edwards Aff., ¶ 174, Sch. 2 at 13.

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<sup>68/</sup> Although intraLATA toll dialing parity is not a checklist item, as of the date of this filing, Ameritech Michigan has implemented intraLATA toll dialing parity in exchanges representing 70 percent of its access lines. The remaining exchanges and access lines will be activated at least 10 days prior to the provision of in-region interLATA service in Michigan by Ameritech. Mayer Aff., ¶¶ 332-336. See also Ameritech MPSC Answer to Motion to Reopen, pp. 12-14.

<sup>69/</sup> Brooks Fiber Agreement, § 5.0, Pricing Sch., Item I; MFS Agreement, § 5.0, Pricing Sch., Item 7; TCG Agreement, § 5.0, Pricing Sch., Item I.



(xiv) **Resale.**

Ameritech currently is furnishing resale services to MFS, and is making such services available to Brooks Fiber and TCG, all pursuant to their interconnection agreements.<sup>70/</sup> Resale services also are available to these carriers on the terms and conditions contained in the AT&T and Sprint Agreements (Article X, Sch. 16.1, Sch. 10.3.1). The systems, methods and procedures by which these services are ordered, provisioned and billed and by which the nondiscrimination and parity requirements are satisfied, are described above. See also Mayer Aff., ¶¶ 318-331; Mickens Aff., ¶¶ 71-115; Rogers Aff., ¶¶ 2-9, 11-80, 89-101, 103-124.

As of April 30, 1997, more than 8,200 non-Centrex resale lines had been ordered or were in service in Michigan. Edwards Aff., ¶ 176, Sch. 2 at 14. Current resellers include AT&T (over XXXXXX lines as of April 30, 1997), MFS (XXXXXX non-Centrex lines) and USN (XXXXXX non-Centrex lines), among others. Id. Regionwide, approximately 55,720 non-Centrex resale lines and 123,000 Centrex resale lines had been ordered or placed in service by competitors as of April 30, 1997. Id.

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The foregoing demonstrates that Ameritech has satisfied the requirements of Sections 271(c)(2) and 271(d)(3)(A). Each checklist item is available to competing carriers (i) on terms and conditions and at rates, and in a manner, required by the Act and the Commission's Regulations, (ii) in quantities that may reasonably be demanded by such carriers, and (iii) at levels of quality that are both commercially reasonable and at parity with that which Ameritech provides to itself. Ameritech has put in place fully operational electronic and manual

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<sup>70/</sup> Brooks Fiber Agreement, § 10.0; MFS Agreement, § 10.0; TCG Agreement, § 10.0; Edwards Aff., ¶¶ 175-176. See also Ameritech MPSC Additional Submission, p. 25.

support processes that permit its competitors to effectively and efficiently (i) access these items, (ii) compete with Ameritech, and (iii) serve their customers. In short, Ameritech has demonstrated that it is ready, willing and able to meet the reasonable demands of its competitors. The door, therefore, has been opened wide to local exchange competition in Michigan.

**V. AMERITECH MICHIGAN AND ACI SATISFY THE REQUIREMENTS OF SECTION 272 OF THE 1996 ACT.**

Section 272 of the 1996 Act prescribes safeguards that, in combination with pre-existing statutory and regulatory requirements, dispel any concern that Ameritech could engage in improper discrimination, cross-subsidization or any other form of anticompetitive conduct. Paramount among these safeguards is the separate affiliate requirement of Section 272(a). To meet this requirement, Ameritech has established an affiliate, ACI, that is separate from the Ameritech Bell operating companies. Earley Aff., ¶¶ 8-10. As discussed below, ACI will provide in-region, interLATA services in Michigan in conformity with Section 272 and the Commission's rules and regulations in Docket Nos. 96-149 and 96-150.<sup>21/</sup> Any wholly-owned subsidiary of ACI that ACI may later create or acquire will be similarly separate from the Ameritech Bell operating companies and comply in all respects with Section 272. As the Commission has concluded, the Section 272 safeguards "ensure that a section 272 affiliate must

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<sup>21/</sup> In the Matter of Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, CC Docket No. 96-149, FCC 96-489, First Report and Order (rel. Dec. 24, 1996) ("Non-Accounting Safeguards First Report and Order"); In the Matter of Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, CC Docket No. 96-150, FCC 96-490, Report and Order (rel. Dec. 24, 1996) ("Accounting Safeguards Report and Order").

follow the same procedures as its competitors in order to gain access to a BOC's facilities," and constitute "a flat prohibition against discrimination."<sup>72/</sup>

**A. Ameritech Michigan and ACI Comply with the Structural and Transactional Requirements of Section 272(b).**

Section 272(b) establishes five structural and transactional requirements for the separate affiliate established pursuant to Section 272(a). Ameritech Michigan and ACI comply and will continue to comply with all of these requirements.<sup>73/</sup>

1. Section 272(b)(1) provides that the separate affiliate "shall operate independently from the Bell operating company." The Commission concluded that this provision precludes Ameritech Michigan and ACI from jointly owning transmission and switching facilities, as well as the land and buildings where such facilities are located; prohibits ACI from performing operations, installation or maintenance functions on Ameritech Michigan's switching and transmission facilities; and precludes Ameritech Michigan and its non-Section 272 affiliates from performing such functions on facilities that ACI either owns or leases from a non-Ameritech entity. Non-Accounting Safeguards First Report and Order, ¶¶ 156-170; 47 C.F.R. § 53.203(a). Ameritech Michigan and ACI operate and will continue to operate independently, in compliance with Section 272(b)(1) and the Commission's rules and regulations. See Earley Aff., ¶¶ 11-14. In fact, ACI owns, operates and maintains a network, based on its digital switches located in Michigan and Illinois, that interconnects with Ameritech Michigan's local exchange network on tariffed terms and conditions that are available to all facilities-based interexchange carriers. See id., ¶ 11.

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<sup>72/</sup> Non-Accounting Safeguards First Report and Order, ¶¶ 15 and 16.

<sup>73/</sup> References to "Ameritech Michigan" in this section of the Brief encompass all Ameritech Bell operating companies. See Section 3(4) of the Act.

2. Section 272(b)(2) provides that the separate affiliate must "maintain books, records, and accounts in the manner prescribed by the Commission which shall be separate from the books, records, and accounts maintained by the [BOC] of which it is an affiliate." ACI complies and will continue to comply with this requirement. See Earley Aff., ¶¶ 15-17. In addition, Section 272(c)(2) provides that a BOC must "account for all transactions with [its separate] affiliate[s]" in accordance with "accounting principles designated or approved by the Commission." All transactions between ACI and Ameritech Michigan have complied and will continue to comply with the Commission's Parts 64 and 32.27 requirements, as modified by the Accounting Safeguards Report and Order. See La Schiazza Aff., ¶ 23; Shutter Aff., passim, Putnam Aff., passim.

3. Section 272(b)(3) provides that the separate affiliate "shall have separate officers, directors, and employees from [an affiliated] Bell operating company." ACI complies with this obligation, and will continue to do so. See Earley Aff., ¶¶ 18-28. As of May 1, 1997, ACI maintained a staff of about 512 employees, none of whom is an employee of an Ameritech Bell operating company, and maintains payrolls separate from those of the Ameritech Bell operating companies. ACI, like all of the Ameritech Bell operating companies, currently has no board of directors. Further, the officers of ACI are not officers of any Ameritech Bell operating company. See id., ¶¶ 18-23.

4. Section 272(b)(4) provides that the separate affiliate "may not obtain credit under any arrangement that would permit a creditor, upon default, to have recourse to the assets of the Bell operating company." ACI fully complies with this requirement and will continue to do so: neither Ameritech nor any of its affiliates has co-signed any contract or made any other arrangement with, or on behalf of, ACI that would allow a creditor to obtain recourse to

Ameritech Michigan's assets in the event of a default, nor will it do so in the future. See Earley Aff., ¶ 29.

5. Section 272(b)(5) requires that the separate affiliate "conduct all transactions with the Bell operating company of which it is an affiliate on an arm's length basis with any such transactions reduced to writing and available for public inspection." As the Earley affidavit explains in detail, ACI and Ameritech Michigan have and will continue to comply with Section 272(b)(5). See Earley Aff., ¶¶ 30-40.

**B. Ameritech Michigan Will Comply with the Nondiscrimination Safeguards Set Forth in Section 272(c)(1).**

Section 272(c)(1) provides that, in its dealings with its separate long distance affiliate, a Bell operating company "may not discriminate between that company or affiliate and any other entity in the provision or procurement of goods, services, facilities, and information, or in the establishment of standards."<sup>74/</sup> In order to ensure that there is no discrimination in violation of Section 272(c), Ameritech Michigan makes and will continue to make nondiscriminatory provisioning, procurement and standard-setting decisions. In addition, ACI will pay rates for services provided by Ameritech Michigan in accordance with the provisions of the Accounting Safeguards Report and Order that prohibit discriminatory rates. Such transactions will be readily auditable; ACI will document each transaction, and these documents will be made available for public inspection at Ameritech Michigan's corporate headquarters. See La Schiazza Aff., ¶¶ 10-22; Shutter Aff., passim. In addition, ACI has established a home page on the Internet, which contains both an index of its agreements and copies of the agreements themselves. See Earley Aff., ¶¶ 37-38.

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<sup>74/</sup> The Section 272(c) nondiscrimination requirements do not apply to joint marketing authorized by Section 272(g). See 47 U.S.C. § 272(g)(3).

**C. Ameritech Michigan Will Comply with the Audit Requirements Set Forth in Section 272(d).**

Section 272(d) requires that a Bell operating company "shall obtain and pay for a joint Federal/State audit every 2 years" to determine whether it has complied with Section 272, the Commission's regulations pursuant to Section 272, and, in particular, the separate accounting requirements in Section 272(b). Ameritech Michigan will comply with this audit requirement and the rules adopted in the Commission's Accounting Safeguards Report and Order. See La Schiazza Aff., ¶¶ 24-26; Shutter Aff., ¶¶ 23-26.

**D. ACI and Ameritech Michigan Will Comply with the Nondiscrimination Requirements Set Forth in Section 272(e).**

Ameritech Michigan also will comply with the nondiscrimination requirements in Section 272(e). Pursuant to Section 272(e)(1), Ameritech Michigan, Ameritech Information Industry Services ("AIIS") and Ameritech Long Distance Industry Services ("ALDIS"), on behalf of Ameritech Michigan (collectively, for purposes of this Section V.D, "Ameritech Michigan"), will fulfill requests from unaffiliated entities for telephone exchange and exchange access services within intervals equivalent to those furnished to ACI. See La Schiazza Aff., ¶ 27; Mickens Aff., ¶¶ 116-120; Kriz Aff., ¶¶ 8-24.

In accordance with Section 272(e)(2), Ameritech Michigan will provide all services, facilities and information relating to exchange access services on a nondiscriminatory basis. See La Schiazza Aff., ¶¶ 28-29; Kriz Aff., ¶¶ 25-28. In providing services to ACI, Ameritech Michigan will use the same facilities, systems, procedures, and performance standards and benchmarks that are used to provide comparable services to unaffiliated carriers. Such facilities, systems and procedures are largely automated, thereby further minimizing any risk of discrimination. See Kocher Aff., ¶¶ 6-46; Mickens Aff., ¶¶ 71-115. To document compliance

with these obligations, Ameritech Michigan will provide to the MPSC, or the Commission, upon request, ACI-specific monthly performance reports (and the data underlying those reports) that will enable them to verify that Ameritech Michigan is not unlawfully discriminating against competing carriers or in favor of ACI in the provision of any element of service.<sup>75/</sup> See Mickens Aff., ¶ 120.

Moreover, pursuant to Section 272(e)(3), Ameritech Michigan will charge ACI rates for telephone exchange service and exchange access that are no lower than the rates charged to unaffiliated interexchange carriers for such services. See La Schiazza Aff., ¶¶ 30-31; Kriz Aff., ¶ 29. And, finally, in accordance with Section 272(e)(4), Ameritech Michigan will provide interLATA or intraLATA facilities or services to ACI only as authorized, with the appropriate allocation of costs, and only if such services or facilities are made available to all carriers at the same rates and on the same terms and conditions. See La Schiazza Aff., ¶¶ 32-33; Kriz Aff., ¶ 30.

**E. ACI and Ameritech Michigan Will Comply with the Joint Marketing Provisions Set Forth in Section 272(g).**

Section 272 authorizes Bell operating companies and their long distance affiliates to engage in joint marketing and sale of services, and provides that such joint marketing and sales "shall not be considered to violate the nondiscrimination provisions of subsection (c)." Section 272(g)(3). Such joint marketing, however, is subject to two statutory restrictions. First, Section 272(g)(1) provides that the long distance affiliate "may not market or sell telephone exchange services provided by the Bell operating company unless that [operating] company

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<sup>75/</sup> Ameritech Michigan will augment its parity reports if necessary to comply with any additional requirements that the Commission may impose as a result of its Further Notice of Proposed Rulemaking, CC Docket No. 96-149, ¶¶ 362 et seq.

permits other entities offering the same or similar service to market and sell its telephone exchange services." ACI will abide by this restriction. See Earley Aff., ¶¶ 42-43.

Second, Section 272(g)(2) prohibits the Bell operating company from marketing and selling the interLATA service of its long distance affiliate within any of its in-region states until the operating company (through its separate affiliate) "is authorized to provide interLATA services" in that state pursuant to Section 271(d). ACI and Ameritech Michigan also will comply with this provision. See Earley Aff., ¶ 44. In addition, Ameritech Michigan will comply with the Commission's requirements with respect to marketing of long distance services during in-bound calls from local exchange customers. See Non-Accounting Safeguards First Report and Order, ¶ 292. Ameritech will properly allocate costs involved in joint marketing between Ameritech Michigan and ACI. See Earley Aff., ¶ 47; Putnam Aff., passim.<sup>76/</sup> In addition, ACI and Ameritech Michigan will comply with the customer information privacy requirements ("CPNI" requirements) of Section 222 of the Act, and any related rules or regulations issued by the Commission, with respect to both inbound calls and outbound joint marketing. See Earley Aff., ¶ 48; La Schiazza Aff., ¶¶ 35-36.

Finally, employees of both Ameritech Michigan and ACI will receive training regarding their obligations under Section 272 and the Commission's regulations, and will be furnished copies of applicable compliance materials, including a user-friendly summary of each of the relevant requirements. See Earley Aff., ¶¶ 49-56; La Schiazza Aff., ¶¶ 37-44. Ameritech also has established an "Integrity Line" (a toll free "hot line") by which employees may anonymously

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<sup>76/</sup> In accordance with the Non-Accounting Safeguards First Report and Order, Ameritech will adhere to specified methods and procedures, including a specific script to be followed by Ameritech service representatives, when receiving an inbound call from a new customer seeking to establish long distance service. Earley Aff., ¶ 46.



report suspected violations of Section 272, and will establish an Auditing Group to investigate and evaluate suspected violations, including (but not limited to) those reported to the Integrity Line. See Earley Aff., ¶¶ 53-55; La Schiazza Aff., ¶¶ 41-43.

**VI. AMERITECH'S APPLICATION IS CONSISTENT WITH THE PUBLIC INTEREST, CONVENIENCE AND NECESSITY.**

The "public interest" standard gives the Commission reasonable discretion to assess Ameritech's Application based on the entire record, including the views of the MPSC and the Department of Justice. See In the Matter of Amendment of Section 73.202(B), MM Docket No. 96-141, Report and Order, ¶ 3 (November 1, 1996) (satisfaction of the public interest standard is based on the "totality of the evidence"); In re Application of General Tel. Co. of Cal., 4 F.C.C.R. 5693, ¶ 58 (July 17, 1989) ("the totality of circumstances"). At the same time, the Supreme Court has "consistently held that the use of the words 'public interest' in a regulatory statute is not a broad license to promote the general public welfare." NAACP v. Federal Power Comm'n, 425 U.S. 662, 669 (1976). Rather, "the words take meaning from the purposes of the regulatory legislation." Id. Thus, the term "public interest" in Section 271(d)(3) of the Act must derive its "content and meaning" from "the purposes" for which it was "adopted." Id.

The purpose of the 1996 Act, expressed in the first sentence of the Conference Report, is to "accelerate rapidly" the deployment of telecommunication services "by opening all telecommunications markets to competition." H.R. Conf. Rep. No. 104-458, 104th Cong., 2d Sess. 113 (1996) (emphasis added). One of the goals of the 1996 Act, therefore, is to open local exchange service to competition. As demonstrated above, this has been accomplished in Michigan. Ameritech has entered into interconnection agreements with facilities-based providers